



CITY OF BILLINGS

THOMAS W. HANEL, MAYOR

P.O. BOX 1178
BILLINGS, MONTANA 59103
(406) 657-8296
FAX (406) 657-8390

SENATE *State Admin*
Exhibit No. *7*
Date *3-23-2011*
Bill No. *HB 344*

March 15, 2011

Senator Jim Shockley
Members of the Senate State Administration Committee
Montana Senate
P.O. Box 200400
Helena, MT 59620-0400

Chairman Shockley and Members of the Committee:

Please accept this letter as my opposition to HB344, which would allow private "for-profit" firms to compete with "non-profit" community-based correctional facilities.

For more than 25 years I have been closely associated with Alternatives and Passages Inc., both Billings programs recognized as highly successful facilities and very community oriented. My experience began as a Police Officer serving on the Alternatives Screening Committee followed by the Board of Directors and President of the BOD. Retiring from law enforcement almost 16 years ago and elected as Mayor of Billings in 2009 I still have a great relationship and amount of respect for both Alternatives and Passages.

Alternatives and Passages are "local" not-for-profit programs highly accountable to our community and contribute back to our community in many ways. Due to the sensitivity of such facilities much thought, consideration, public involvement and careful planning has taken place over the many years, helping Alternatives and Passages to be very well accepted and successful. I am very concerned that the passage of HB344 thus providing the allowance of private, for-profit firms will create serious issues within our community. The public trust that has been earned may be jeopardized, this is further enhanced by the controversy regarding the location of additional such facilities.

I ask that you please "not" support HB344 and Thank You for your consideration and support.

Respectfully,

Thomas W. Hanel
Thomas W. Hanel
Mayor, City of Billings

Sent via email to Pat Keim, Lobbyist; pkeim1350@wildblue.net





OFFICE OF THE MAYOR

435 RYMAN MISSOULA, MONTANA 59802-4297

March 7, 2011

The Honorable Jim Shockley
Members of the Senate State Administration Committee
Montana Senate
PO Box 200400
Helena, MT 59620-0400

Sent via email and FAX to (406) 444-4875

Chairman Shockley and Members of the Committee:

I'm writing today in opposition for HB344, which would allow for-profit, private sector firms to compete with non-profit, community-based correctional programs.

The City of Missoula's long, productive and successful relationship with Missoula Correctional Services is all the evidence I need to know that these community programs, which operate to serve local taxpayers rather than stockholders from outside Montana, are best suited to manage pre-release, community service and supervision programs.

Montana's had some bad experience with private corrections and this bill, in my opinion, provides an opportunity for more of that bad experience. Local, not-for-profit correctional programs are accountable to the communities they serve. I hope they continue to get the consideration they deserve.

Thank you for your consideration of this letter.

Sincerely,

John Engen
Mayor

cc: Sue Wilkins, Missoula Correctional Services
Alec Hansen, Montana League of Cities and Towns
John MacDonald, Gallatin Public Affairs

Testimony by Alternatives, Inc regarding HB 344 allowing for profit companies to bid on state contracts in competition with nonprofits organizations.

This bill is about competition. Alternatives, Inc. is not afraid of competition.

The Department of Corrections Audit

Alternatives, Inc. has been serving the state well for the past 30 years in Billings

Nonprofit organizations like Alternatives, Inc. are community service oriented.

Nonprofit providers are not under pressure to produce profits and increase shareholder equity.

For profit vendors are not really cheaper.

A 2001 US Bureau of Prisons reported, and an independent consulting firm ABT Associates, Inc. confirmed, that

A 2001 report by the US Department of Justice concluded that the savings from privatization were only about 1%, not 20% as some reported earlier. It went on to say,

Governance differences between nonprofit and for profit organizations

Nonprofit organization boards and management are composed of local people whose orientation is service to the community.

The April 2010 Congressional Research Service report raises questions about the quality of service and care provided by for-profit organizations.

The Department of justice study found three main differences between for profit and not for profit facilities.

Importance to the state contracts to Alternatives, Inc and the local community

The state contract is the central link pin in maintaining the local nonprofit prerelease center.

The local nonprofit organizations likely cannot survive without the state contract.

Services that are available through our organization to the city, county, and local courts may not be there absent the sustaining state contract.

There is no assurance that for profit winners of state contracts would also provide the local services we provide.

We are more responsive to requests from the state and others for services over and above the contract then would likely be the case of a profit oriented provider with multi-state interests.

Under bidding by large for profit companies